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FINANCE DEPARTMENT

NOTIFICATION

The 24th March, 2005

**S.R.O.No. 170/2005** —Whereas the draft of certain rules, which the State Government propose to make the Orissa Consumer Welfare Fund Rules, 2005, was published as required by sub-section (1) of section 29 readwith sub-section (3) of section 9-BB of the Orissa Sales Tax Act, 1947 (Orissa Act 14 of 1947), in the extraordinary issue No.160 of the Orissa Gazette dated the 27<sup>th</sup> January, 2005 under the notification of the Government of Orissa in the Finance Department No.4338-CTA-55/2004-F., dated the 27<sup>th</sup> January, 2005 as SRO No.43/2005 inviting objections and suggestions from all persons likely to be affected thereby till expiry of a period of fifteen days from the date of publication of the said notification in the Orissa Gazette;

And whereas, objections and suggestions received in respect of the said draft during the stipulated period have duly been considered by the State Government;

Now, therefore, in exercise of the powers conferred by section 29 readwith sub-section (3) of section 9-BB of the said Act, the State Government do hereby make the following rules, namely:-

1. **Short title and commencement.**— (1) These rules may be called the Orissa Consumer Welfare Fund Rules, 2005.

(2) They shall come into force on the date of their publication in the Orissa Gazette.

2. **Definitions.**— (I) In these rules, unless the context otherwise requires, -

(a) “**Act**” means the Consumer Protection Act, 1986 (68 of 1986) ;

(b) “**Consumer**” means “Consumer” as defined under the Act, and includes consumer of goods on which duty has been paid;

(c) “**Consumer Organisation**” means any Voluntary Consumer Association registered under the Companies Act, 1956 or the Societies Registration Act, 1860 or under any other law for the time being in force and shall also include Government agencies carrying out consumer activities;

(d) “**Fund**” means the Orissa Consumer Welfare Fund established under section 9-BB of the Orissa Sales Tax Act, 1947;

(e) “**Government**” means the Government of Orissa ;

(f) “**Grant**” means allocations sanctioned under these rules ;

(g) "**Project**" means any plan or scheme submitted to the Fund by any agency for implementation of the activities relating to the objectives of the Fund;

(h) "**State Consumer Protection Council**" means the Council constituted by the Government under section 7 of the Act.

(2) Words and expressions used in these rules but not defined shall have the same meaning as respectively assigned to them in the Act.

3. **Corpus of the Fund.** – The corpus of the fund shall consist of the following, namely:-

(1) Any amount to be credited by the Government pursuant to sub-section (2) of section 9-BB of the Orissa Sales Tax Act, 1947;

(2) the financial assistance granted or released by Central Government and State Government for Consumer Protection and related purposes to the fund including the funds given for specific purposes as one time grant;

(3) the interest or dividend on investments ;

(4) any other receipts or grants from any source, whatsoever, specifically meant for the purpose of undertaking activities relating to the objectives of the fund; and

(5) application fees and for any of the other fees received by the Consumer Courts as may be prescribed by the Government.

4. **Objectives of the Fund.** – The fund shall be utilised for , -

(i) Protection of consumers from the hazards to their health and safety from goods and services ;

(ii) Promotion and protection of rights and economic interests of the consumers ;

(iii) Promotion of consumer education and awareness through print, audio, visual and electronic media or such other media as would be decided by the Government from time to time ;

(iv) Promotion of effective consumer redressal system and strengthening of institutions for consumer grievance/dispute for redressal including Consumer Courts; and

(v) to support and encourage individual and organisational efforts to protect consumer interest, develop consumer education and organize consumer movement.

5. **Organisations eligible for grant.** – (1) The following organisations and institutions shall be eligible for grant from the fund, provided they are voluntarily engaged in protection of consumer interest and provide guidance and necessary support for consumer activities/movements,-

(i) A Consumer Organisation.

(ii) A registered Consumer Co-operative Society.

(iii) Registered Public Trusts.

(iv) Any registered Research Organisation.

(v) University in the State of Orissa established under an Act of the State Legislature for promotion, research and advancement of education for the welfare of the Consumers.

(2) Any such organisation or institution seeking grant from the fund shall have to fulfil the following conditions, namely:-

- (i) It must be working for promotion and protection of consumer interests.
- (ii) It must have a legal status permitting entrustment of public funds.
- (iii) It must be non-political, non-denominational and under a non-proprietary management.
- (iv) It must have well defined objectives for promotion and protection of the interests of the consumers.
- (v) It must not run for profit to any individual or group of individuals but will be serving the general public without any discrimination of caste, creed, colour or religion.
- (vi) It must preferably have a specific area of operation to assess the impact of the projects it wants to implement.
- (vii) It must have completed at least three years of working after its initial registration under the relevant Acts and shall have a commendable track record of consumer protection and guidance activities.
- (viii) It must be maintaining following audited statements of accounts , -
  - (a) Receipt and Payments ;
  - (b) Income and Expenditure; and
  - (c) Balance Sheet.
- (ix) It shall not have otherwise been disqualified by the Central/State Government for this purpose.
- (x) It must not have received similar grant from any other official source, partially or wholly, for the same purpose and for the same period.
- (xi) It must have raised or be in a position to raise an amount at least equal to the grant it asks for from the fund, through other sources except from trade or industry:

Provided that the conditions under this rule shall not be applicable to the projects submitted by Government Agencies.

**6. Purpose of Grant.** – (1) Grant shall ordinarily be given for specific projects and programmes of action, namely:-

- (a) To undertake research and investigation into consumer problems;
- (b) To undertake testing programmes regarding quality and quantity of various consumer products by setting up testing laboratories;
- (c) To organise training courses, workshops, symposia or the like for the express purpose of training consumer activists to work for consumer protection and guidance by training institutions;
- (d) To organise consumer education and awareness programmes both in urban and rural areas by exhibitions, talks, film shows, demonstrations, etc.
- (e) To purchase equipment such as film projectors, documentary films, public address systems, testing kits, library books and magazines for the exclusive use

for promotion/advancement of consumer movements in towns and rural areas;  
and

- (f) for any other scheme or activity which contributes towards consumer protection as may be considered appropriate by Government from time to time:

Provided that the grants received from Government of India, State Government or any other funding agency for specific purposes shall be utilised only for the purpose so specified by the funding agency and shall not be diverted for any other purpose.

(2) Government may institute a suitable scheme for giving awards to organisations, Government servants and consumer activists and other individuals for outstanding and sustained efforts in the promotion of consumer protection, awareness and guidance.

**7. Management of the Fund.** – The overall management of the fund shall vest in the Managing Committee consisting of the following officers, namely : -

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|---|------------------|
| (A) Secretary, Food Supplies and Consumer Welfare Department  | Chairman         |
| (B) Commissioner of Commercial Taxes, Orissa  | Member           |
| (C) Additional / Joint Secretary to Government, Finance Department.                                     | Member           |
| (D) Additional/Joint Secretary to Government, Planning & coordination Department.                       | Member           |
| (E) Financial Advisor-cum-Joint Secretary to Government, Food Supplies and Consumer Welfare Department. | Member           |
| (F) Director, Consumer Welfare-cum-Joint Secretary, Food Supplies and Consumer Welfare Department.      | Member Secretary |

**8. Powers and functions of the Managing Committee.** – (1) The Managing Committee shall supervise the maintenance of the fund;

(2) It shall have the power to invest the fund or any part of it in the approved Government securities or with the nationalised banks.

(3) It shall call for the applications in the forms prescribed by it for grant to the eligible institutions or organisations.

(4) It shall scrutinise the applications received from eligible organisations for the purposes of sanctioning grant.

(5) It shall have authority to call for such documents and information as it may deem necessary for considering the request for grant from the eligible organisations.

(6) It shall have the right to prescribe conditions governing grant and the procedure and manner of submission of accounts by the eligible organisations.

(7) It shall have the power to inspect or get inspected, the accounts of any beneficiary institution with a view to satisfying itself as to whether the grant have been spent prudently and for the purpose for which these were sanctioned.

(8) It shall have the power to sanction grant to eligible organisations in the manner and to the extent it deems fit subject to the conditions laid down in rule 6.

(9) It shall have the power to demand the refund of grant from a grantee organisation or to declare an organisation ineligible for further grant in future, in case of default in compliance with any of the conditions prescribed therefor. However, such organisation shall be given a reasonable opportunity of being heard before the demand for refund is made or the organisation is considered ineligible for further grant.

(10) It can relax any provision of these rules and can make guidelines for the smooth management and administration of the Fund.

(11) The decision of the Managing Committee taken in respect of sub-rules (4) to (10) shall be final and shall not be open for review by any Consumer Forum.

9. **Meeting of the Managing Committee.** – The Managing Committee shall decide the procedure, manner and periodicity of its meeting. The committee shall meet as and when necessary but not more than 3 months shall elapse between any two meetings.

10. **Upkeep of Fund.** – The Managing Committee shall have full power to take such steps as may be necessary for the proper functioning and upkeep and management of the Fund.

11. **Scheme of awards.** – The Managing Committee shall manage the scheme of awards to worthy institutions, voluntary consumer societies, or Association, other individuals and Government servants doing outstanding consumer protection work subject to the conditions prescribed by Government.

12. **Annual Statement of Accounts.** – (1) The Managing Committee shall prepare a report of its activities and an annual statement of accounts and shall present the same to the first meeting of the State Consumer Protection Council every financial year.

(2) The accounts shall be subject to audit by internal audit of Food Supply and Consumer Welfare Department.

[No. 14208-CTA-55/2004-F.]

By order of the Governor

P. K. BISWAL  
Under Secretary to Government